Manitoba

Annual Report 1987

The Public Schools Finance Board

Manitoba

Education

Public Schools
Finance Board

506 — 1181 Portage Avenue
Winnipeg, Manitoba, CANADA
R3G 0T3

June 30, 1988

Honourable Len Derkach
Minister of Education
168 Legislative Building
Winnipeg, Manitoba
R3C 0V8

Sir:

I have the honour to submit, herewith, pursuant to Section 13 of The Public Schools Finance Board Act, the Annual Report of The Public Schools Finance Board, for the year ending December 31, 1987.

Yours respectfully,

A. A. Frechette
Chairman

MAJOR CAPITAL CONSTRUCTION PROJECTS
Initially Approved in 1987

School Division/School	Project	Estimated Total Costs
Winnipeg No. 1		
Champlain	replacement of existing school	$ 2,500,000
St. James-Assiniboia No. 2		
Strathmillan	renovations and addition of gymnasium	$ 1,200,000
Assiniboine South No. 3		
Van Walleghem	addition of 8 high quality relocatable units	$ 580,000
Fort Garry No. 5		
Bairdmore	addition of 3 high quality relocatable units	$ 300,000
St. Vital No. 6		
Burland	addition of 6 high quality relocatable units	$ 600,000
Forsyth	addition of 6 high quality relocatable units	$ 600,000
Southglen	new school (K-9)	$ 3,200,000
New High School	new high school	$ 5,000,000
Norwood No. 8		
Nelson McIntyre	major renovations due to fire damage	$ 400,000

School Division/School	Project	Estimated Total Costs
River East No. 9		
Princess Margaret	replacement of unsafe wing	$ 330,000
Seven Oaks No. 10		
Mandalay West	a new elementary school	$ 3,700,000
New School	new Junior & Senior high school	$ 3,200,000
Transcona/Springfield No. 12		
Joseph Teres	a new elementary school and 6 high quality relocatable units	$ 2,925,000
Regent Park	renovations	$ 75,000
New High School	assessment stage (re - overcrowding)	$ 3,400,000
Seine River No. 14		
Lorette	new school (K-9) and 2 high quality relocatable units	$ 2,300,000
Hanover No. 15		
Blumenort	addition	$ 1,800,000
Garden Valley No. 26		
Winkler	new elementary school	$ 2,700,000
Pelly Trail No. 37		
Major Pratt	recrganization of space addition of facilities	$ 1,500,000

School Division/School	Project	Estimated Total Costs
Rolling River No. 39		
Elton Collegiate	addition of 1 high quality relocatable unit	$ 100,000
Brandon No. 40		
New School (West of 34th)	(K - 9) and 4 high quality relocatable units	$ 2,700,000
Turtle Mountain No. 44		
Boissevain Collegiate	major renovations - 2nd stage	$ 500,000
Western No. 47		
Morden	new school (K - 6)	$ 1,500,000
		$41,110,000

SUMMARY

SCHOOL DEBENTURES PURCHASED BY THE MINISTER OF FINANCE

DURING 1987

SCHOOL DIVISION	NO.	DATE(S)		AMOUNT	TOTAL
Winnipeg	1	January	31	$ 1,728,000	$
		March	31	815,000	
		May	15	1,470,000	
		June	30	700,000	
		July	31	1,261,000	
		September	30	2,785,000	
		October	31	1,065,000	
		December	15	1,095,000	10,919,000
St. James-Assiniboia	2	April	30	185,000	185,000
Assiniboine South	3	March	31	874,000	
		May	31	910,000	
		September	30	2,090,000	3,874,000
St. Boniface	4	January	15	275,000	275,000
Fort Garry	5	January	31	2,000,000	
		March	15	81,000	2,081,000
St. Vital	6	January	31	470,000	
		March	15	870,000	
		May	15	500,000	
		May	31	610,000	
		June	15	845,000	
		July	15	545,000	
		September	15	565,000	
		October	31	1,132,000	
		December	15	600,000	6,137,000
Norwood	8	November	30	370,000	370,000
River East	9	February	15	970,000	
		March	31	145,000	
		May	31	295,000	
		November	30	495,000	1,905,000
Seven Oaks	10	February	28	805,000	805,000
Lord Selkirk	11	February	15	945,000	
		May	31	525,000	1,470,000
Transcona-Springfield	12	January	31	570,000	570,000
Seine River	14	January	31	457,000	457,000

SCHOOL DIVISION	NO.	DATE(S)		AMOUNT	TOTAL
Hanover	15	January	31	225,000	
		April	30	100,000	
		September	30	155,000	
		October	31	460,000	
		December	15	195,000	1,135,000
Red River	17	February	15	94,000	
		November	15	290,000	
		December	15	178,000	562,000
Rhineland	18	March	15	138,000	
		September	30	205,000	343,000
Morris-MacDonald	19	March	31	1,240,000	1,240,000
White Horse Plain	20	February	28	131,000	131,000
Interlake	21	September	30	235,000	
		December	15	145,000	380,000
Evergreen	22	March	15	108,000	108,000
Lakeshore	23	May	31	385,000	
		October	15	170,000	555,000
Portage La Prairie	24	January	31	470,000	
		June	15	87,000	557,000
Mountain	28	March	15	405,000	
		June	30	185,000	
		October	15	135,000	725,000
Tiger Hills	29	February	15	260,000	260,000
Pine Creek	30	May	31	246,000	
		July	31	145,000	
		September	30	190,000	
		November	30	275,000	856,000
Beautiful Plains	31	March	15	87,000	87,000
Dauphin-Ochre Area	1	June	15	192,000	
		October	15	620,000	812,000
Duck Mountain	34	April	30	68,000	68,000
Swan Valley	35	April	30	48,000	48,000
Pelly Trail	37	February	28	850,000	850,000
Birdtail River	38	April	30	104,000	
		December	15	168,000	272,000

SCHOOL DIVISION	NO.	DATE(S)		AMOUNT	TOTAL
Rolling River	39	February	15	450,000	
		March	15	137,000	
		May	31	585,000	
		December	15	215,000	1,387,000
Brandon	40	February	28	657,000	
		March	31	415,000	
		October	15	320,000	
		December	15	585,000	1,977,000
Fort La Bosse	41	April	15	556,000	
		September	30	680,000	
		December	15	100,000	1,336,000
Kelsey	45	May	31	83,000	83,000
Frontier	48	October	15	1,072,000	
		November	15	1,455,000	2,527,000
Mystery Lake	2355	March	15	2,120,000	2,120,000
South Winnipeg Technical Centre		May	15	625,000	625,000
TOTAL					48,092,000

Summary			
	January	15	275,000
	January	31	5,920,000
	February	15	2,719,000
	February	28	2,443,000
	March	15	3,946,000
	March	31	3,489,000
	April	15	556,000
	April	30	505,000
	May	15	2,595,000
	May	31	3,639,000
	June	15	1,124,000
	June	30	885,000
	July	15	545,000
	July	31	1,406,000
	September	15	565,000
	September	30	6,340,000
	October	15	2,317,000
	October	31	2,657,000
	November	15	1,745,000
	November	30	1,140,000
	December	15	3,281,000
			48,092,000

THE PUBLIC SCHOOLS FINANCE BOARD

REPORT OF THE PROVINCIAL AUDITOR'S OFFICE

We have examined the financial statements, being Exhibits A, B, C and Schedules 1 and 2, of The Public Schools Finance Board for the fiscal year ended December 31, 1987. Our examination was made in accordance with generally accepted auditing standards, and accordingly included such tests and other procedures as we considered necessary in the circumstances, except with respect to the appropriateness of the costs of administering the Board included in these financial statements as described in the following paragraph.

As indicated in note 7 to the financial statements, the Board is taking appropriate steps to review its structure and mandate under the Public Schools Finance Board Act (Act). Because this review is not complete, it is impractical for the Board to estimate any adjustments which would be required to these financial statements to ensure compliance with section 9(2) of the Act with respect to costs of administering the Board. Similarly, it is impractical to estimate the effects of such adjustments on liabilities and the Municipal corporations' education support levies account.

In our opinion, except for the effect of any adjustments which would be required to ensure compliance with section 9(2) of the Act as discussed in the preceding paragraph, these financial statements present fairly the financial position of the Board as at December 31, 1987 and the results of its operations for the year then ended in accordance with the accounting policies stated in note 2 to the financial statements applied on a basis consistent with the preceding year.

J. W. Singleton, CA,
Assistant Provincial Auditor.

April 8, 1988,
Winnipeg, Manitoba.

THE PUBLIC SCHOOLS FINANCE BOARD

Balance Sheet
as at December 31, 1987
(with 1986 figures for comparison)

ASSETS	1987	1986
Cash in bank	$ 385,110	$ 437,484
Accounts receivable:		
Government of the Province of Manitoba	14,218,766	14,855,468
Municipal corporations, education support levies	78,406,972	74,708,883
Miscellaneous	239,917	252,071
Prepaid expense	-	1,034
	$ 93,250,765	$ 90,254,940
LIABILITIES		
Accounts payable and accrued charges:		
Education support	$ 2,845,329	$ 3,015,888
Other	1,303,205	1,252,250
Notes payable on demand, at bank prime -		
Government of the Province of Manitoba	70,083,900	68,711,600
	74,232,434	72,979,738
Municipal corporations' education support levies account, Note 5, Exhibit C	19,018,331	17,275,202
	$ 93,250,765	$ 90,254,940

THE PUBLIC SCHOOLS FINANCE BOARD

Statement of Revenue and Expenditure
for the year ended December 31, 1987
(with 1986 figures for comparison)

	1987	1986
Revenue:		
Government of the Province of Manitoba, share of the Government Support to Education Program	$ 418,614,270	$ 403,840,245
Municipal corporations, education support levy	196,144,764	186,904,940
	614,759,034	590,745,185
Excess of revenue over expenditure carried forward to municipal corporations' education support levies account, Note 2(b), Exhibit C	1,491,946	826,696
	$ 613,267,088	$ 581,571,881
Expenditure:		
Government Support to Education Program:		
Education support, Schedule 1	$ 605,649,189	$ 573,279,314
Administrative and other expenses, Schedule 2	7,617,899	8,292,567
	$ 613,267,088	$ 581,571,881

THE PUBLIC SCHOOLS FINANCE BOARD

Statement of Municipal Corporations' Education Support Levies Account
for the year ended December 31, 1987
(with 1986 figures for comparison)

	1987	1986
Balance, beginning of year	$ 17,275,202	$ 7,820,530
Excess of revenue over expenditure, Note 2(b) Exhibit B	1,491,946	9,173,304
	18,767,148	16,993,834
Adjustment of previous years' education support from estimated to actual, Note 2(c)	251,183	281,368
Balance, end of year, Note 5, Exhibit A	$ 19,018,331	$ 17,275,202

THE PUBLIC SCHOOLS FINANCE BOARD

Statement of Education Support
for the year ended December 31, 1987
(with 1986 figures for comparison)

	1987	1986
Operating:		
Block, Note 3	$ 329,138,148	$ 376,027,517
Equalization, Note 3	92,909,992	60,595,956
Guarantee, Note 3	39,299,245	-
Special services	38,357,200	37,678,920
Transportation	27,615,572	25,705,110
Curricula materials	7,361,852	7,349,648
Bilingualism	5,865,280	5,366,019
Vocational industrial	4,931,865	4,997,900
Language development for Natives	2,063,050	1,687,950
Inner city	1,906,520	1,380,755
Compensatory, Note 6	3,021,250	1,208,233
English as a second language	1,714,680	1,101,672
Small schools, Note 6	2,042,127	756,196
Heritage language	257,671	462,127
Loss of Treaty Indian enrolment	65,946	169,998
Early identification, Note 6	218,015	88,010
Capital:		
Debt servicing, Note 2(a) and Note 4	37,289,060	35,964,253
Other	6,422,274	6,532,647
Buses	3,745,193	4,734,155
Vocational equipment	1,424,249	1,472,248
Total education support, Exhibit B	$ 605,649,189	$ 573,279,314

THE PUBLIC SCHOOLS FINANCE BOARD

Statement of Administrative and Other Expenses
for the year ended December 31, 1987
(with 1986 figures for comparison)

	1987	1986
Board members' indemnities	$ 95,595	$ 97,066
Staff salaries, Note 7	730,121	526,965
Professional services	46,779	37,291
Travel and sundry	26,118	43,573
Printing, stationery and supplies	46,906	44,635
Equipment, Note 2(a)	32,131	24,770
Telephone	16,175	13,423
Insurance	12,950	-
Equipment rentals	4,080	3,604
Interest charges on loans for advances of support	6,607,044	7,501,240
Total administrative and other expenses, Exhibit B	$ 7,617,899	$ 8,292,567

THE PUBLIC SCHOOLS FINANCE BOARD

Notes to Financial Statements
December 31, 1987

1. Nature of the Board's Operations

The Public Schools Finance Board was established by The Public Schools Finance Board Act in April 1967. The objectives of the Board are to facilitate the financing of the Government Support to Education Program for school divisions and to assist boards of school divisions in the economic operation of the school system. The Board is responsible for the administration of the support provided under the Program.

2. Significant Accounting Policies

(a) The accounts of the Board are maintained on an accrual basis, except for debt servicing support which is expensed on a cash basis, and fixed asset purchases which are expensed in the year of acquisition.

(b) Education support requirements are determined in the first instance on the basis of financial budgets of school divisions. The amount of the funding requirements not covered by the Province is raised by municipal corporations. The excess or deficiency of revenue over expenditure is reflected in the municipal corporations' education support levies account.

(c) The education support for previous years is adjusted based on final statistical reports and audited financial statements of the school divisions. The statement of municipal corporations' education support levies account, Exhibit C, reflects the adjustment.

3. Guarantee

Manitoba Regulation 1/86 has been amended effective January 1, 1987 to provide school divisions with guaranteed support for block and equalization. For 1986, the regulation provided for similar support which was included within block and equalization. The support provided in 1987 for block, equalization and guarantee, totalling $461,347,385, is comparable to the support provided in 1986 for block and equalization, totalling $436,623,473.

4. Debt Servicing

The capital support portion of the Government support to Education Program includes payments made to service the debenture debt of the school divisions during the fiscal year. The Board has not, however, assumed the legal liability related to the repayment of such long-term debt.

THE PUBLIC SCHOOLS FINANCE BOARD

Notes to Financial Statements
December 31, 1987

5. Commitments

As at December 31, 1987, the Board has $2,171,949 (1986 - $1,160,682) in outstanding commitments for the purchase of school buses, and $501,234 (1986 - $504,765) for vocational equipment and other capital project approvals carried forward.

6. Comparability of Amounts

As a result of an accounting policy to reflect costs on a calendar year basis adopted in 1986, the 1986 comparative figures for compensatory, small schools and early identification support encompass only the fall term for 1986. The 1987 figures reflect the costs of the 1987 calendar year.

7. Cost Apportionment

The Government of the Province of Manitoba provides the Board with staff for administrative purposes. A portion of the employees' salaries is charged to the Board's operations. During the year, an initial review of services provided by employees of the Department of Education to the Board was carried out. As a result, a portion of salaries of eight additional employees has been charged to the Board's operations for 1987. This change accounts for an increase of $170,180 of the total increase in staff salaries.

The Board has initiated a further review to examine its mandate and structure with particular emphasis on the legislation incorporating it. This review may result in recommendations for changes to the Act or in changes to the basis of apportionment of administrative costs, including such costs as salaries and employee benefits, office space and utilities, borne by the Board under section 9(2) of the Act. Because this review is not complete, it is impractical for the Board to estimate any adjustments which would be required to these financial statements to ensure full compliance with the requirements of the Act to recover the costs of administering its programs. However, as an interim measure, the Board has increased the level of administrative costs borne by the Board as indicated in the preceding paragraph.